

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States District Court
Southern District of Texas
FILED
FEB 03 2016
David J. Bradley, Clerk of Court

UNITED STATES OF AMERICA

v.

DARRELL DEMOND ARLINE,
AARON MATTHEW PIERCE

§
§
§
§
§
§

Criminal No.

16CR 57

INDICTMENT

THE GRAND JURY CHARGES THAT:

INTRODUCTION

At all times material to this Indictment, unless otherwise specified:

1. Goodwill Industries of Houston, Incorporated (Goodwill Industries), was a private non-profit Texas Corporation located at 1140 West Loop North Freeway, Houston Texas 77055-7218. Goodwill Industries' primary mission was to provide people with disabilities and other barriers to employment with skills training and career services that would enable them to secure productive and competitive jobs.

2. The U.S. Department of Veterans Affairs (VA) was a government agency that was responsible for administering programs of military veterans' benefits for military veterans, their families, and survivors.

3. Section 604 of the Veterans' Mental Health and Other Improvements Act of 2008, Public Law 110-287 authorized the VA to develop the Supportive Services for Veteran Families Program (SSVF) and to award SSVF grants to selected private non-profit organizations and consumer cooperatives.

4. The SSVF's purpose was to provide supportive services grants to selected grantees who would coordinate or provide supportive services to very low-income military veteran families who: (i) were residing in permanent housing, (ii) were homeless and scheduled to become residents of permanent housing within 90 days, and (iii) after exiting permanent housing within a specified time period, were seeking other housing that was responsive to such very low-income military veteran family's needs and preferences, as further described and defined in 38 CFR Part 62.

5. On September 12, 2012, the VA awarded Goodwill Industries a \$1,000,000 SSVF grant. The grant's funding period was from October 1, 2012 to September 30, 2013.

6. On September 30, 2013, the VA awarded Goodwill Industries a second SSVF grant and increased the award amount to \$2,000,000. This grant's funding period was from October 1, 2013 to September 30, 2014.

7. Health and Human Services Payment Management Services (HHSPMS) (previously known as the Division of Payment Management), 7700 Wisconsin Avenue, Suite 10450B, Bethesda, Maryland 20857, provided grant and grant-like payments, cash management, and grant accounting support services to Federal Agencies. HHSPMS used a custom-developed Payment Management System (PMS) that provided Grant recipients the tools to manage grant payment requests, and disbursement reporting activities. PMS was a full service centralized grants payment and cash management system. PMS was fully automated to receive payment requests, transmit payment to the Federal Reserve Bank for deposit into the grantee's bank account, and record the payment transactions and corresponding disbursements to the appropriate account(s).

8. Federal Reserve Bank of Richmond (FRBR) was a federal financial institution capable of interstate wire transfers of SSVF grant payments for deposit into a grantee's bank account. FRBR was located in Richmond, Virginia.

COUNT ONE
Conspiracy to Commit Wire Fraud
(18 U.S.C. §§ 1349 and 1343)

9. The Grand Jury adopts, realleges, and incorporates herein the Introduction Section of this Indictment.

10 From on or about January 3, 2013 and continuing to on or about August 28, 2014, in the Southern District of Texas, and within the jurisdiction of this Court,

DARRELL DEMOND ARLINE
and
AARON MATTHEW PIERCE,

defendants herein, did knowingly and willfully combine, conspire, confederate, and agree with each other and others known and unknown to the Grand Jury to violate Title 18, United States Code, Section 1343 (Wire Fraud), that is to devise and intend to devise a scheme and artifice to defraud, and for obtaining money by means of false and fraudulent pretenses, and in the execution of said scheme and artifice, did knowingly cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals, pictures, and sounds, as more fully set forth below.

A. Manner and Means

The manner and means by which the defendants and their co-conspirators sought to accomplish the purpose and object of the conspiracy included, among other things;

11. Defendant **DARRELL DEMOND ARLINE**, an employee of Goodwill Industries, would and did submit fraudulent Goodwill Industries SSVF

grant purchase orders falsely claiming military veteran supportive housing services expenses covered by Goodwill Industries' SSVF grants.

12. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did cause Goodwill Industries to issue checks payable to individuals or entities he had falsely represented were vendors entitled to receive Goodwill Industries' SSVF grant monies.

13. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did file "Assumed Name Records Certificate of Ownership for Unincorporated Business or Profession" within the Southern District of Texas in the names of two sham sole proprietorships to facilitate the fraudulent acquisition and cashing of the Goodwill Industries checks.

14. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did establish a bank account in the name of his sham sole proprietorship, HATS Properties, to facilitate the cashing of the fraudulently acquired Goodwill Industries checks.

15. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did recruit defendant **AARON MATTHEW PIERCE** to join the conspiracy to facilitate the fraudulent issuance and cashing of

the Goodwill Industries checks issued as a result of the fraudulently submitted SSVF grant purchase orders.

16. It was further part of the conspiracy that defendant **AARON MATTHEW PIERCE** would and did file “Assumed Name Records Certificate of Ownership for Unincorporated Business or Profession” within the Southern District of Texas in the name of a sham sole proprietorship to facilitate the fraudulent acquisition and cashing of the Goodwill Industries checks.

17. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did place the name of defendant **AARON MATTHEW PIERCE** as a vendor entitled to receive Goodwill Industries’ SSVF grant monies on Goodwill Industries SSVF grant purchase orders.

18. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did place the name of defendant **AARON MATTHEW PIERCE**’s sham sole proprietorship as a vendor entitled to receive Goodwill Industries’ SSVF grant monies on Goodwill Industries SSVF grant purchase orders.

19. It was further part of the conspiracy that defendant **AARON MATTHEW PIERCE** would and did establish a bank account in the name of his

sham sole proprietorship to facilitate the cashing of the fraudulently acquired Goodwill Industries checks.

20. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did recruit an unindicted co-conspirator, hereinafter referred to as “PLA,” to join the conspiracy to facilitate the fraudulent issuance and cashing of the Goodwill Industries checks issued as a result of the fraudulently submitted SSVF grant purchase orders.

21. It was further part of the conspiracy that PLA would and did file “Assumed Name Records Certificate of Ownership for Unincorporated Business or Profession” within the Southern District of Texas in the names of two sham sole proprietorships to facilitate the fraudulent acquisition and cashing of the Goodwill Industries checks.

22. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did place the name of PLA as a vendor entitled to receive Goodwill Industries’ SSVF grant monies on Goodwill Industries SSVF grant purchase orders.

23. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did place the names of PLA’s two sham sole

proprietorships as vendors entitled to receive Goodwill Industries' SSVF grant monies on Goodwill Industries SSVF grant purchase orders.

24. It was further part of the conspiracy that PLA would and did establish bank accounts in the names of her sham sole proprietorships to facilitate the cashing of the fraudulently acquired Goodwill Industries checks.

25. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did cause Goodwill Industries to transmit interstate wire communications to HHSPMS' PMS requesting receipt of Goodwill Industries' SSVF grant monies for the fraudulent SSVF grant purchase orders submitted by defendant **DARRELL DEMOND ARLINE**.

26. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did cause HHSPMS to direct the wire transfer of SSVF grant monies to Goodwill Industries by means of interstate money wire transfers in payment of the fraudulent SSVF grant purchase orders submitted by defendant **DARRELL DEMOND ARLINE**.

27. It was further part of the conspiracy that defendant **DARRELL DEMOND ARLINE** would and did cause FRBR to wire transfer SSVF grant monies to Goodwill Industries by means of interstate money wire transfers in

payment of the fraudulent SSVF grant purchase orders submitted by defendant **DARRELL DEMOND ARLINE**.

B. OVERT ACTS

28. For the purpose of accomplishing the objects of the conspiracy, the following overt acts, among others, were committed in the Southern District of Texas and elsewhere:

(1) On or about July 2, 2013, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-2890, dated July 2, 2013, falsely claiming \$2,325 in purported military veteran housing expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(2) On or about July 8, 2013, defendant **DARRELL DEMOND ARLINE** filed Assumed Name Record Certificates of Ownership for Unincorporated Business or Profession with the Harris County Clerk's Office, Harris County, Texas for a sham sole proprietorship he identified as Houston Area Transitional Services Properties, hereinafter referred to as "HATS Properties."

(3) On or about July 12, 2013, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 113750 in the amount of \$2,325 payable to HATS Properties.

(4) On or about July 15, 2013, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 113750 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(5) On or about July 30, 2013, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$73,621.41 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-2890.

(6) On or about July 30, 2013, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$73,621.41 of SSVF grant monies to Goodwill Industries.

(7) On or about July 31, 2013, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$73,621.41 of SSVF grant monies to Goodwill Industries.

(8) On or about August 22, 2013, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-3063, dated August 21, 2013, falsely claiming \$1,550 in purported military veteran

housing expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(9) On or about August 30, 2013, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 114435 in the amount of \$1,550 payable to HATS Properties.

(10) On or about August 30, 2013, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 114435 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(11) On or about September 9, 2013, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$94,521.81 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-3063.

(12) On or about September 9, 2013, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$94,521.81 of SSVF grant monies to Goodwill Industries.

(13) On or about September 10, 2013, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$94,521.81 of SSVF grant monies to Goodwill Industries.

(14) On or about October 15, 2013, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-3246, dated October 14, 2013, falsely claiming \$2,100 in purported military veteran housing expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(15) On or about October 17, 2013, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 114978 in the amount of \$2,100 payable to HATS Properties.

(16) On or about October 21, 2013, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 114978 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(17) On or about November 4, 2013, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$133,295.48 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-3246.

(18) On or about November 4, 2013, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$133,295.48 of SSVF grant monies to Goodwill Industries.

(19) On or about November 5, 2013, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$133,295.48 of SSVF grant monies to Goodwill Industries.

(20) On or about November 19, 2013, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-3487, dated November 19, 2013, falsely claiming \$1,600 in purported military veteran housing expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(21) On or about November 27, 2013, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$186,132.03 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-3487.

(22) On or about November 27, 2013, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR

directing the wire transfer of \$186,132.03 of SSVF grant monies to Goodwill Industries.

(23) On or about November 29, 2013, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$186,132.03 of SSVF grant monies to Goodwill Industries.

(24) On or about December 2, 2013, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 115721 in the amount of \$1,600 payable to HATS Properties.

(25) On or about December 6, 2013, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 115721 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(26) On or about January 22, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-3760, dated January 17, 2013 falsely claiming \$1,400 in purported military veteran housing expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(27) On or about January 23, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 116460 in the amount of \$1,400 payable to HATS Properties.

(28) On or about January 30, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$144,739.40 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-3760.

(29) On or about January 30, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$144,739.40 of SSVF grant monies to Goodwill Industries.

(30) On or about January 31, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$144,739.40 of SSVF grant monies to Goodwill Industries.

(31) On or about February 4, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 116460 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(32) On or about March 18, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4067, dated March 18, 2014 falsely claiming \$1,570 in purported military veteran housing

expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(33) On or about March 20, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 117352 in the amount of \$1,570 payable to HATS Properties.

(34) On or about March 25, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 117352 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(35) On or about March 28, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$120,293.34 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-4067.

(36) On or about March 28, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$120,293.34 of SSVF grant monies to Goodwill Industries.

(37) On or about March 30, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4121,

dated March 30, 2014 falsely claiming \$1,965 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(38) On or about March 31, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$120,293.34 of SSVF grant monies to Goodwill Industries.

(39) On or about April 1, 2014, defendant **DARRELL DEMOND ARLINE** filed Assumed Name Record Certificates of Ownership for Unincorporated Business or Profession with the Harris County Clerk's Office, Harris County, Texas for a sham sole proprietorship he identified as Heartland Investment Properties.

(40) On or about April 7, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 117570 in the amount of \$1,965 payable to Heartland Investment Properties.

(41) On or about April 15, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 117570 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(42) On or about April 29, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an

interstate wire communication from Houston, Texas requesting \$124,282.80 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Order 300-0-4121.

(43) On or about April 29, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$124,282.80 of SSVF grant monies to Goodwill Industries.

(44) On or about April 29, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4257, dated April 29, 2014, falsely claiming \$1,310 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(45) On or about April 30, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$124,282.80 of SSVF grant monies to Goodwill Industries.

(46) On or about May 2, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1010 in the amount of \$1,310 payable to Heartland Investment Properties.

(47) On or about May 6, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 1010 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(48) On or about May 7, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4287, dated May 6, 2014, falsely claiming \$1,250 in purported military veteran housing expenses payable to PLA which he falsely represented were covered by Goodwill Industries' SSVF grant.

(49) On or about May 8, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1017 in the amount of \$1,250 payable to PLA.

(50) On or about May 9, 2014, PLA cashed Goodwill Industries Check 1017 at a Bank of America branch location.

(51) On or about May 20, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4338, dated May 20, 2014 falsely claiming \$1,890 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(52) On or about May 23, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1189 in the amount of \$1,890 payable to Heartland Investment Properties.

(53) On or about May 29, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$147,295.14 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Orders 300-0-4257, 300-0-4287, and 300-0-4338.

(54) On or about May 30, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$147,295.14 of SSVF grant monies to Goodwill Industries.

(55) On or about May 31, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$147,295.14 of SSVF grant monies to Goodwill Industries.

(56) On or about June 2, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 1189 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(57) On or about June 4, 2014, defendant **AARON MATTHEW PIERCE** filed Assumed Name Record Certificates of Ownership for Unincorporated Business or Profession with the Brazoria County Clerk's Office, Brazoria County, Texas for a sham sole proprietorship he identified as AP Real Estates.

(58) On or about June 6, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4396, dated June 5, 2014, falsely claiming \$1,250 in purported military veteran housing expenses payable to PLA which he falsely represented were covered by Goodwill Industries' SSVF grant.

(59) On or about June 6, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4397, dated June 4, 2014 falsely claiming \$1,570 in purported military veteran housing expenses payable to HATS Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(60) On or about June 10, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4418, dated June 10, 2014 falsely claiming \$1,950 in purported military veteran housing expenses payable to "AP Real Estate" [*sic*] which he falsely represented were covered by Goodwill Industries' SSVF grant.

(61) On or about June 12, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1270 in the amount of \$1,250 payable to PLA.

(62) On or about June 12, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1271 in the amount of \$1,570 payable to HATS Properties.

(63) On or about June 12, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1275 in the amount of \$1,950 payable to AP Real Estate [*sic*].

(64) On or about June 13, 2014, defendant **AARON MATTHEW PIERCE** deposited Goodwill Industries Check 1275 in a First National Bank of Texas account established in the name of Aaron M. Pierce, DBA AP Real Estates.

(65) On or about June 16, 2014, PLA cashed Goodwill Industries Check 1270 at a Bank of America branch location.

(66) On or about June 18, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4446, dated June 18, 2014 falsely claiming \$1,824 in purported military veteran housing expenses payable to defendant **AARON MATTHEW PIERCE** (“Aaron Pierce”) which he falsely represented were covered by Goodwill Industries’ SSVF grant.

(67) On or about June 20, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1286 in the amount of \$1,824 payable to defendant **AARON MATTHEW PIERCE** (“Aaron Pierce”).

(68) On or about June 20, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4466, dated June 20, 2014 falsely claiming \$1,512 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries’ SSVF grant.

(69) On or about June 26, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1323 in the amount of \$1,512 payable to Heartland Investment Properties.

(70) On or about June 27, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 1323 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(71) On or about June 27, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS’ PMS and place an interstate wire communication from Houston, Texas requesting \$148,468.68 in SSVF grant monies which included a request of funds for Goodwill Industries

Purchase Orders 300-0-4396, 300-0-4397, 300-0-4418, 300-0-4446, and 300-0-4466.

(72) On or about June 27, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$148,468.68 of SSVF grant monies to Goodwill Industries.

(73) On or about June 30, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$148,468.68 of SSVF grant monies to Goodwill Industries.

(74) On or about June 30, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4526, dated June 30, 2014 falsely claiming \$1,310 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(75) On or about July 7, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1370 in the amount of \$1,310 payable to Heartland Investment Properties.

(76) On or about July 8, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4548, dated July 7, 2014 falsely claiming \$1,850 in purported military veteran housing expenses payable to “AP Real Estate” [*sic*] which he falsely represented were covered by Goodwill Industries’ SSVF grant.

(77) On or about July 10, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1426 in the amount of \$1,850 payable to “AP Real Estate” [*sic*].

(78) On or about July 10, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 1370 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(79) On or about July 11, 2014, defendant **AARON MATTHEW PIERCE** deposited Goodwill Industries Check 1426 in a First National Bank of Texas account established in the name of Aaron M. Pierce, DBA AP Real Estates.

(80) On or about July 23, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4620, dated July 21, 2014 falsely claiming \$2,300 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries’ SSVF grant.

(81) On or about July 23, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4623, dated July 20, 2014 falsely claiming \$1,550 in purported military veteran housing expenses payable to defendant **AARON MATTHEW PIERCE** ("Aaron Pierce") which he falsely represented were covered by Goodwill Industries' SSVF grant.

(82) On or about July 23, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1459 in the amount of \$2,300 payable to Heartland Investment Properties.

(83) On or about July 23, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1462 in the amount of \$1,550 payable to defendant **AARON MATTHEW PIERCE** ("Aaron Pierce").

(84) On or about July 25, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4648, dated July 24, 2014, falsely claiming \$1,250 in purported military veteran housing expenses payable to PLA which he falsely represented were covered by Goodwill Industries' SSVF grant.

(85) On or about July 28, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 1459 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

(86) On or about July 29, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$151,449.66 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Orders 300-0-4526, 300-0-4548, 300-0-4620, and 300-0-4623.

(87) On or about July 30, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR directing the wire transfer of \$151,449.66 of SSVF grant monies to Goodwill Industries.

(88) On or about July 30, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$151,449.66 of SSVF grant monies to Goodwill Industries.

(89) On or about July 31, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1504 in the amount of \$1,250 payable to PLA.

(90) On or about August 4, 2014, PLA cashed Goodwill Industries Check 1504 at a Bank of America branch location.

(91) On or about August 6, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4677,

dated August 6, 2014 falsely claiming \$1,850 in purported military veteran housing expenses payable to defendant “AP Real Estate” [*sic*] which he falsely represented were covered by Goodwill Industries’ SSVF grant.

(92) On or about August 6, 2014, PLA filed Assumed Name Record Certificates of Ownership for Unincorporated Business or Profession with the Harris County Clerk’s Office, Harris County, Texas for two sham sole proprietorships she identified as Prestige Property Management and Colton Properties.

(93) On or about August 8, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1526 in the amount of \$1,850 payable to “AP Real Estate” [*sic*].

(94) On or about August 8, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4689, dated August 9, 2014, falsely claiming \$2,000 in purported military veteran housing expenses payable to Colton Properties which he falsely represented were covered by Goodwill Industries’ SSVF grant.

(95) On or about August 8, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4692, dated August 4, 2014, falsely claiming \$2,270 in purported military veteran housing

expenses payable to Prestige Property Management which he falsely represented were covered by Goodwill Industries' SSVF grant.

(96) On or about August 13, 2014, defendant **AARON MATTHEW PIERCE** deposited Goodwill Industries Check 1526 in a First National Bank of Texas account established in the name of Aaron M. Pierce, DBA AP Real Estates.

(97) On or about August 14, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1542 in the amount of \$2,270 payable to Prestige Property Management.

(98) On or about August 14, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1559 in the amount of \$2,000 payable to Colton Properties.

(99) On or about August 22, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4758, dated August 22, 2014 falsely claiming \$2,300 in purported military veteran housing expenses payable to Heartland Investment Properties which he falsely represented were covered by Goodwill Industries' SSVF grant.

(100) On or about August 25, 2014, PLA deposited Goodwill Industries Check 1559 in a Wells Fargo Bank account established in the name of PLA, DBA Colton Properties.

(101) On or about August 27, 2014, defendant **DARRELL DEMOND ARLINE** fraudulently submitted Goodwill Industries Purchase Order 300-0-4747, dated August 22, 2014, falsely claiming \$2,270 in purported military veteran housing expenses payable to Prestige Property Management which he falsely represented were covered by Goodwill Industries' SSVF grant.

(102) On or about August 28, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1644 in the amount of \$2,270 payable to Prestige Property Management.

(103) On or about August 28, 2014, defendant **DARRELL DEMOND ARLINE** caused the issuance of Goodwill Industries Check 1654 in the amount of \$2,300 payable to Heartland Investment Properties.

(104) On or about August 28, 2014, defendant **DARRELL DEMOND ARLINE** caused Goodwill Industries to log into HHSPMS' PMS and place an interstate wire communication from Houston, Texas requesting \$149,373.36 in SSVF grant monies which included a request of funds for Goodwill Industries Purchase Orders 300-0-4648, 300-0-4677, 300-0-4689, 300-0-4692, 300-0-4747, and 300-0-4758.

(105) On or about August 29, 2014, defendant **DARRELL DEMOND ARLINE** caused HHSPMS to place an interstate wire communication to the FRBR

directing the wire transfer of \$149,373.36 of SSVF grant monies to Goodwill Industries.

(106) On or about August 31, 2014, defendant **DARRELL DEMOND ARLINE** caused the FRBR to wire transfer \$149,373.36 of SSVF grant monies to Goodwill Industries.

(107) On or about August September 5, 2014, PLA deposited Goodwill Industries Check 1542 in a Bank of America account established in the name of PLA, DBA Prestige Property Management.

(108) On or about September 5, 2014, PLA cashed Goodwill Industries Check 1644 at a Bank of America branch location.

(109) On or about September 12, 2014, defendant **DARRELL DEMOND ARLINE** deposited Goodwill Industries Check 1654 in a Capital One Bank account established in the name of Darrell D. Arline, DBA HATS Properties.

In violation of Title 18, United States Code, Sections 1349 and 1343.

COUNTS TWO THROUGH TWELVE
Wire Fraud
(18 U.S.C. § 1343)

1. The Grand Jury adopts, realleges, and incorporates herein the Introduction Section of this Indictment.

2. From on or about January 3, 2013 and continuing to on or about August 28, 2014, in the Southern District of Texas, and within the jurisdiction of this Court,

DARRELL DEMOND ARLINE,

defendant herein, did knowingly devise, intend to devise and participate in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and material omissions, which scheme is set forth in Section A of Count One of this Indictment.

3. In each of Counts Two through Twelve, the defendant,

DARRELL DEMOND ARLINE,

for the purpose of executing, and attempting to execute, the scheme to defraud, and to obtain money by means of false and fraudulent pretenses and representations did cause to be transmitted by means of a wire communication in interstate commerce the writings, signs, signals and sounds, that is, the request of SSVF grant monies on or about the dates described below for each count:

COUNT	DATE	TRANSMISSION DESCRIPTION
2	07/30/2013	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$73,621.41 in SSVF grant monies which included monies for Purchase Order 300-0-2890.
3	09/09/2013	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$94,521.81 in SSVF grant monies which included monies for Purchase Order 300-0-3063.

COUNT	DATE	TRANSMISSION DESCRIPTION
4	11/04/2013	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$133,395.48 in SSVF grant monies which included monies for Purchase Order 300-0-3246.
5	11/27/2013	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$186,132.03 in SSVF grant monies which included monies for Purchase Order 300-0-3487.
6	01/30/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$144,739.40 in SSVF grant monies which included monies for Purchase Order 300-0-3760.
7	03/28/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$120,293.34 in SSVF grant monies which included monies for Purchase Order 300-0-4067.
8	04/29/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$124,282.80 in SSVF grant monies which included monies for Purchase Order 300-0-4121.
9	05/29/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$147,295.14 in SSVF grant monies which included monies for Purchase Orders 300-0-4257 and 300-0-4338.
10	06/27/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$148,468.68 in SSVF grant monies which included monies for Purchase Orders 300-0-4397 and 300-0-4466.
11	07/29/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$151,449.66 in SSVF grant monies which included monies for Purchase Orders 300-0-4526 and 300-0-4620.

COUNT	DATE	TRANSMISSION DESCRIPTION
12	08/28/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$149,373.36 in SSVF grant monies which included monies for Purchase Order 300-0-4758.

In violation of Title 18, United States Code, Section 1343.

COUNTS THIRTEEN THROUGH FIFTEEN
Wire Fraud and Aiding and Abetting
(18 U.S.C. §§ 1343 and 2)

1. The Grand Jury adopts, realleges, and incorporates herein the Introduction Section of this Indictment.
2. From on or about January 3, 2013 and continuing to on or about August 28, 2014, in the Southern District of Texas, and within the jurisdiction of this Court,

DARRELL DEMOND ARLINE
and
AARON MATTHEW PIERCE,

defendants herein, aided and abetted by each other and by others known and unknown to the Grand Jury, did knowingly devise, intend to devise and participate in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and material omissions, which scheme is set forth in Section A of Count One of this Indictment.

3. In each of Counts Thirteen through Fifteen, the defendants,

DARRELL DEMOND ARLINE
and
AARON MATTHEW PIERCE,

for the purpose of executing, and attempting to execute, the scheme to defraud, and to obtain money by means of false and fraudulent pretenses and representations did cause to be transmitted by means of a wire communication in interstate commerce the writings, signs, signals and sounds, that is, the request of SSVF grant monies on or about the dates described below for each count:

COUNT	DATE	TRANSMISSION DESCRIPTION
13	06/27/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$148,468.68 in SSVF grant monies which included monies for Purchase Orders 300-0-4418 and 300-0-4446.
14	07/29/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$151,449.66 in SSVF grant monies which included monies for Purchase Orders 300-0-4548 and 300-0-4623.

COUNT	DATE	TRANSMISSION DESCRIPTION
15	08/28/2014	Interstate wire communication from Goodwill Industries, Houston, Texas to HHSPMS, Bethesda, Maryland requesting \$149,373.36 in SSVF grant monies which included monies for Purchase Order 300-0-4677.

In violation of Title 18, United States Code, Sections 1343 and 2.

NOTICE OF CRIMINAL FORFEITURE
(28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C))

Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to the defendants,

DARRELL DEMOND ARLINE
and
AARON MATTHEW PIERCE,

that in the event of conviction of the offenses charged in this Indictment, the United States intends to seek forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses.

Money Judgment

The defendants are notified that upon conviction, a money judgment may be imposed equal to the total value of the property subject to forfeiture, for which the defendants may be jointly and severally liable.

Substitute Assets

The defendants are notified that in the event that property subject to forfeiture, as a result of any act or omission of the defendants,

(A) cannot be located upon the exercise of due diligence;

(B) has been transferred or sold to, or deposited with, a third party;

(C) has been placed beyond the jurisdiction of the court;

(D) has been substantially diminished in value; or

(E) has been commingled with other property that cannot be divided without difficulty,

it is the intent of the United States to seek forfeiture of any other property of the defendants up to the total value of such property pursuant to Title 21, United States Code, Section 853(p), incorporated by reference in Title 28, United States Code, Section 2461(c).

A TRUE BILL:

Original Signature on File

FOREPERSON/OF THE GRAND JURY

KENNETH MAGIDSON
United States Attorney

BY: *Daniel C. Rodriguez*
DANIEL C. RODRIGUEZ
Assistant United States Attorney
713.567.9638